

2019/2020



SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

INKOSI LANGALIBALELE LOCAL MUNICIPALITY

FOREWORD BY HER WORSHIP THE MAYOR



Inkosi Langalibalele Municipality present its Service Delivery and Budget Implementation Plan which gives effect to the 2019/2020 Integrated Development Plan and BUDGET as adopted by council.

Our 2019/2020 SDBIP- IDP and Budget is of a special one since in essence it is presented during the National Government Elections year that would shape the future of the

country's pace.

It is for this reason that the current IDP is externally focussed and driven by needs of the society geared towards the Aspirations of the community derived from stakeholders engagements through Public Participation channels.

Local Economic Development- Strategy is yet to be developed as submitted to council for approval. A report on tourism strategy awaits council resolution. The IDP in the main seeks to and provide solutions to pressing issues such as: ROADS, ELECTRICITY, WATER, and HOUSING.

The need to develop an ICT website is long overdue. Capacitated and Motivated staff complements whose potential can only be achieved through workplace skills plan (WPSP) is a necessity. The IDP- its application will ensure a content and a proudly residents of ILM- which will make this Municipality a nice place of abode. This IDP- signals over Provincial Growth and Development Strategy (PGDS) milestones.

With the assertion of the above- this SDBIP comes at a time when Municipalities throughout the Province are faced with protest action and violence, with Inkosi Langalibalele being no exception. Under this cloud of service delivery disgruntlements, communities have gone on rampage closing major routes and destroying property, led by criminal elements. This document may thus seek to address some of these short comings.

The SDBIP serves as a monitoring tool for projects, programs and services contained in our IDP and funded in our budget. All projects and programs contained in this plan present a commitment by council and administration to our citizens to ensure that we continue improving their lives by the reduction of Poverty Inequality and unemployment (PIU).

This plan is also a guiding principle towards realizing Inkosi Langalibalele vision which states that by 2030 Inkosi Langalibalele Local Municipality shall unlock potential growth while striving for a sustainable competitive and a safe environment, by advancing people's power. One therefore holds a firm belief that this SDBIP will make a significant contribution towards improving the conditions of the community we serve. We therefore agree to be sent.

I thank you.

Cllr J.M Mbele (Her Worship, the Mayor)
Inkosi Langalibalele Local Municipality

1. Introduction

The purpose of the Service Delivery and Budget Implementation Plan (SDBIP) for 2019/2020 financial year is to present a one year detailed implementation/operations plan, of functions which Inkosi Langalibalele Local Municipality is responsible to implement and, which gives effect to the implementation of the Integrated Development Plan (IDP) and the approved budget for 2019/2020 of the Municipality.

The SDBIP is a “contract” between the Administration, Council and Community expressing the goals and objectives set by Council as quantifiable outputs/targets to be implemented by the administration over the next twelve months. Furthermore, the SDBIP for 2019/2020 will not only ensure appropriate monitoring in the execution of the municipality’s budget and processes involved in the allocations of budgets to achieve key strategic priorities as set by the municipality’s IDP, but will also serve as the kernel of annual performance contracts for senior management and provide a foundation for the overall annual and quarterly municipal performance for the 2019/2020 financial year.



1.1 Legislative Framework in terms of MFMA

The Municipal Finance Management Act (MFMA) No. 56 of 2003 requires that municipalities prepare a Service Delivery and Budget Implementation Plan (SDBIP) as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year and are also aligned with their Integrated Development Plan Strategies.

Section 1 of the MFMA defines the “service delivery and budget implementation plan” as the detailed plan approved by the mayor of the municipality in terms of Section 53 (1) (c) (ii) for implementing the municipality’s delivery of municipal services and its annual budget and which must include the following:-

a) Projections of each month of-

- i. revenue to be collected, by source; and*
- ii. operational and capital expenditure, by vote;*

b) Service delivery targets and performance indicators for each quarter; and

c) Any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of section 54(1)(c).

In terms of Section 53 (i)(c)(ii) of the MFMA, the SDBIP must be approved by the Mayor of a municipality within 28 days of the approval of the budget.

According to Section 53(c)(ii) of the Municipal Finance Management Act, the Mayor is expected to approve the Service Delivery Budget Implementation Plan within 28 days after the approval of the budget. In addition, the Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the Service Delivery Budget Implementation Plan are made public within 14 days after their approval.

As per Municipal Finance Management Act Circular No 13, National Treasury currently prefers not to prescribe other matters to be included in the Service Delivery Budget and Implementation Plan. This is to ensure good governance and accountability on the part of Municipalities. However, there are five minimum requirements that the National Treasury requires to form part of the Service Delivery Budget and Implementation Plan (Municipal Finance Management Act Circular No. 13). These are outlined below:

1. Monthly projections of revenue to be collected by source;
2. Monthly projections of expenditure (operating and capital) and revenue for each vote;
3. Quarterly projections of service delivery targets and performance indicators for each vote;
4. Ward information for expenditure and service delivery; and
5. Detailed capital works plan broken down by ward over a 3-year period.

In terms of the Municipal Finance Management Act, a Vote is a Department or a functional area of a Municipality and represents the various levels at which the Council approves the budget.

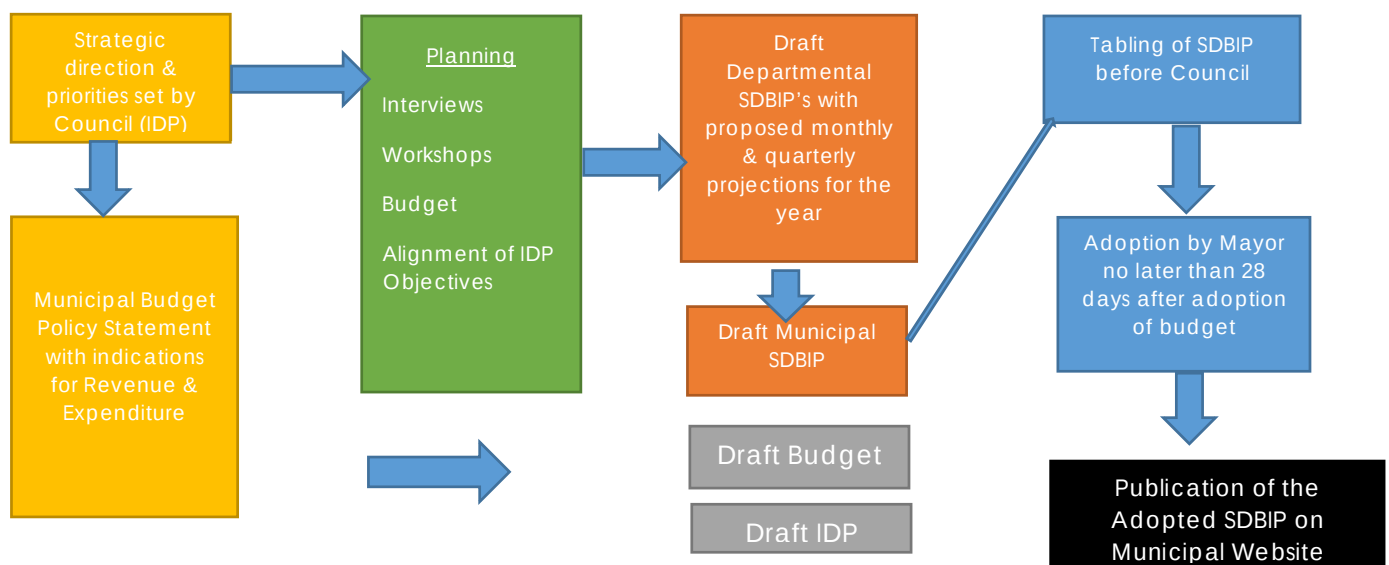
As indicated by the National Treasury in Municipal Finance Management Act Circular No 13, the biggest challenge for Municipalities is to develop meaningful non-financial service delivery targets and indicators.

1.2. Legislative Performance Reporting Framework

FREQUENCY AND NATURE OF REPORT	MANDATE	RECIPIENTS
Monthly reporting on actual revenue targets and spending against budget no later than 10 working days after the end of each month	Section 71 of the MFMA	National Treasury

Quarterly progress report	Section 41 (1) (e) of the Systems Act, Section 166 (2) (a) (v) and (vii) of the Municipal Management Finance Act (MFMA) and Regulation 7 of Municipal Planning and Performance Management Regulations.	1. Municipal Manager 2. Mayor 3. EXCO 4. Audit Committee 5. National Treasury
Mid-year performance assessment	Section 72 of the MFMA. Section 13 (2) (a) of Municipal Planning and Performance Management Regulations 2001.	1. Municipal Manager 2. Mayor 3. EXCO 4. Council 5. Audit Committee 6. National Treasury 7. Provincial Government
Annual report (to be tabled before Council by 31 January (draft and approved / published by 31 March each year)	Sections 121 and 127 of the MFMA, as read with Section 46 of the Systems Act and Section 6 of the Systems Amendment Act.	1. Mayor 2. EXCO 3. MPAC 4. Council 5. Audit Committee 6. Auditor-General 7. National Treasury 8. Provincial Government 9. Local Community

1.3. SDBIP Process and Cycle at Inkosi Langalibalele Local Municipality



The Service Delivery and Budget Implementation Plan is a consolidated document, which incorporates and takes into account information contained in the Integrated Development Plan of the Municipality, Operational Plans for each Department and the budget statements for each Department within the Municipality. Resultantly, the completion of the Service Delivery and Budget Implementation Plan hinges on the finalisation of the above documentation.

The Inkosi Langalibalele Local Municipality began its budgeting process during the 2019 year, in which input into the Departments' strategic objectives and outputs for the 2019/2020 budget year were gathered and formed the basis of the individual Departmental scorecards.

Assigned to these strategic objectives and outputs were a set of targets, which the Municipal Officials viewed as vital to achieve in order to meet the service delivery requirements of the Inkosi Langalibalele Local Community.

With all the relevant information needed for the Service Delivery and Budget Implementation Plan, work began to fulfil the requirements of Section 53 of the Municipal Finance Management Act. Initially, meetings were held with the relevant Departmental heads and staff, in which their scorecards and budget statements for 2019/2020 year were discussed. These discussions facilitated the alignment of the strategic objectives and outputs to the budget statements, allowing for expenditure to be projected across the 2019/2020 year in terms of the service delivery targets set for the strategic objectives and outputs.

A Three year detailed Capital Works Plan was also compiled, which is a fair projection of capital expenditure to be incurred by the Municipality. Once complete, the above information was consolidated into the Service Delivery and Budget Implementation Plan.

1.3.1 Service Delivery and Budget Implementation Plan Cycle

The SDBIP process comprises the following stages, which forms part of a cycle:

- **Planning:**

During this phase the SDBIP process Plan is developed, to be tabled with the IDP Process Plan. SDBIP related processes e.g. workshop schedules distribution of circulars and training workshops, are also reviewed during this phase.

- **Strategising:**

During this phase the IDP is reviewed and subsequent SDBIP programmes and projects for the next 5 years based on local, provincial and national issues, previous year's performance and current economic and demographic trends etc.

- **Tabling:**

The SDBIP is tabled with the draft IDP and budget before Council. Consultation with the community and stakeholders of the IDP on the SDBIP is done through budget

hearings and formal local, provincial and national inputs or responses are also considered in developing the final document.

- **Adoption:**

The Mayor approves the SDBIP no later than 28 days after the adoption of the Municipality's budget.

- **Publishing:**

The adopted SDBIP is made public and is published on the Council's website

2. Alignment to the Integrated Development Plan

Inkosi Langalibalele Local Municipality identifies some strategic focus areas based on inputs and comments from all stakeholders through the IDP process which are dealt with in the following Key Performance Areas:

- a) Municipal Transformation and Institutional Development
- b) Basic Service Delivery
- c) Local Economic Development
- d) Financial Viability
- e) Good Governance and Public Participation
- f) Cross Cutting

3. Monitoring and Evaluation

The Municipal Council has approved Performance Management System Policy. The performance management system makes provisions for the Quarterly and Mid-year performance reporting and reviews on the implementation of the Service Delivery and Budget Implementation Plan (SDBIP). The key focus areas and service delivery targets for the 2019/2020 are outlined in the following sections of this plan.

3.1. Reporting on the Service Delivery and Budget Implementation Plan (SDBIP)

Reporting on the SDBIP is an important way of linking this document to the oversight and monitoring operation of the Inkosi Langalibalele Local Municipality's administration.

A series of reporting requirements are outlined in the MFMA. Both the mayor and the accounting officer (Municipal Manager) have clear roles as defined in the

MFMA, in preparing and presenting reports. These reports then allow the Councillors of the Inkosi Langalibalele Local Municipality to monitor the implementation of the service delivery programs and initiatives.

3.2. Monthly Reporting

Section 71 of the MFMA requires the municipality to report on actual revenue collected and actual expenditure incurred against the approved budget. This report must be prepared by the accounting officer on a monthly basis, 10 days after each month end.

The report must include the following, namely:

- *Actual revenue, per source;*
- *Actual borrowings;*
- *Actual expenditure, per vote;*
- *Actual capital expenditure, per vote; and*
- *The amount of any allocations received*

In addition, the following explanations must be included:

- *Any material variances from the projected budget targets;*
- *Any material variances from the SDBIP; and*
- *Any remedial or corrective action taken or to be taken.*

3.3 Quarterly Reporting

Section 52(d) of the MFMA requires the Mayor to submit a report to council, detailing the implementation of the budget and financial state of affairs of the municipality within 30 days after each quarter. The quarterly performance targets indicative within the SDBIP is the basis of this report.

3.4 Mid-year Reporting

Section 72(1)(a) of the MFMA outlines the mid-year reporting requirements. The accounting officer is required by the 25th January of each year to assess the performance of the Municipality, and must take into account the following:

- *The monthly Section 71 reports;*
- *The service delivery performance against the targets and indicators set forth in the SDBIP; and*

- *The previous year's annual report and progress made to resolve any issues identified in this report.*

Based on this performance assessment report the municipality may decide to table an adjustments budget in terms of Section 28 of the MFMA. The SDBIP is a living document and may be modified in conjunction with the adjustment budget process, based on the outcome of the mid-year performance review.

Revenue and Expenditure Projections

This section contains the financial information as required by the SDBIP.

The monthly projection of revenue by source; and

The monthly projection of both operating and capital expenditure and revenue by vote.

4. Principles underpinning our Service Delivery and Budget Implementation Plan

The Inkosi Langalibalele Municipality commits to the following key principles in its implementation of the SDBIP. That the process:

- Must be used as a management tool and incorporated into existing ways of managing performance in the municipality.
- Measurement must be based on clearly defined targets and agreed timeframes.
- Must align strategic organisational development goals and budget prioritisation linked to community needs and resource constraints.
- Must provide for measurement of progress against IDP commitments;
- Only focus on budgeted projects
- Must ensure measurement of performance against National KPIs
- Must promote use as an early warning system
- Must focus on outcomes (development impact achievements)
- Must provide clarity to all employees on their role in the achievement of municipal and departmental targets.

5. Monthly Projections of Revenue by Source

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source	-															
Property rates		10 577	10 577	10 577	10 577	10 577	10 577	10 577	10 577	10 577	10 577	10 577	10 577	126 919	133 519	140 462
Service charges - electricity revenue		21 556	21 556	21 556	21 556	21 556	21 556	21 556	21 556	21 556	21 556	21 556	21 566	258 677	272 129	286 279
Service charges - water revenue													-	-	-	-
Service charges - sanitation revenue													-	-	-	-
Service charges - refuse revenue		725	725	725	725	725	725	725	725	725	725	725	725	8 702	9 155	9 631
Rental of facilities and equipment		19	19	19	19	19	19	19	19	19	19	19	19	225	237	249
Interest earned - external investments		74	74	74	74	74	74	74	74	74	74	74	74	883	929	977
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received													-	-	-	-
Fines, penalties and forfeits		2 231	2 231	2 231	2 231	2 231	2 231	2 231	2 231	2 231	2 231	2 231	2 231	26 772	28 164	29 628
Licences and permits		112	112	112	112	112	112	112	112	112	112	112	112	1 345	1 415	1 489
Agency services													-	-	-	-
Transfers and subsidies		62 558					62 558			62 560			-	187 676	197 892	212 379
Other revenue		235	235	235	235	235	235	235	235	235	235	235	235	2 821	2 968	3 122
Gains on disposal of PPE													-	-	-	-
Total Revenue (excluding capital transfers and contributions)		98 086	35 528	35 528	35 528	35 528	98 086	35 528	35 528	98 088	35 528	35 528	35 540	614 022	646 408	684 217
Expenditure By Type	-															
Employee related costs		15 092	15 092	15 092	15 092	15 092	15 092	15 092	15 092	15 092	15 092	15 092	15 092	181 104	192 785	205 220
Remuneration of councillors		1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	17 779	18 703	19 676
Debt impairment		583	583	583	583	583	583	583	583	583	583	583	583	7 000	7 000	7 000
Depreciation & asset impairment		763	3 970	3 970	3 970	3 970	3 970	3 970	3 970	3 970	3 970	3 970	7 178	47 642	50 119	52 726
Finance charges		763	763	763	763	763	763	763	763	763	763	763	763	9 150	9 626	10 127
Bulk purchases		20 133	20 133	20 133	20 133	20 133	20 133	20 133	20 133	20 133	20 133	20 133	20 972	242 438	255 045	268 307

Other materials		1 278	1 278	1 278	1 278	1 278	1 278	1 278	1 278	1 278	1 278	1 278	1 280	15 333	16 130	16 969
Contracted services		2 483	2 483	2 483	2 483	2 483	2 483	2 483	2 483	2 483	2 483	2 483	2 483	29 791	31 341	32 970
Transfers and subsidies													–	–	–	–
Other expenditure		4 370	4 370	4 370	4 370	4 370	4 370	4 370	4 370	4 370	4 370	4 370	4 370	52 445	55 172	58 041
Loss on disposal of PPE													–	–	–	–
Total Expenditure		46 946	50 153	50 153	50 153	50 153	50 153	50 153	50 153	50 153	50 153	50 153	54 203	602 682	635 921	671 036
Surplus/(Deficit)		51 140	(14 626)	(14 626)	(14 626)	(14 626)	47 932	(14 626)	(14 626)	47 934	(14 626)	(14 626)	(18 663)	11 339	10 487	13 182
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		14 887					14 887			14 887			–	44 661	46 632	52 468
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)													–	–	–	–
Transfers and subsidies - capital (in-kind - all)													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		66 027	(14 626)	(14 626)	(14 626)	(14 626)	62 819	(14 626)	(14 626)	62 821	(14 626)	(14 626)	(18 663)	56 000	57 119	65 650
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	66 027	(14 626)	(14 626)	(14 626)	(14 626)	62 819	(14 626)	(14 626)	62 821	(14 626)	(14 626)	(18 663)	56 000	57 119	65 650

6. Revenue and Expenditure by Municipal Vote

KZN237 Inkosi Langalibalele - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Revenue by Vote	-															
Vote 1 - CORPORATE SERVICES													0	0	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	0	0	-	-
Vote 3 - BUDGET & TREASURY OFFICE		#####	27 710	27 710	27 710	27 710	27 710	27 710	27 710	27 710	27 710	27 710	27 710	332 516	349 913	375 716
Vote 4 - COMMUNITY SERVICES		#####	1 536	1 536	1 536	1 536	1 536	1 536	1 536	1 536	1 536	1 536	1 536	18 426	19 384	20 392
Vote 5 - DEVELOPMENT AND PLANNING		18 139,17	18 139,00	18 139,00	18 139,00	18 139,00	18 139,00	18 139,00	18 139,00	18 139,00	18 139,00	18 139,00	18	218	229	241
Vote 6 - PUBLIC WORKS: CIVIL		#####	3 434	3 434	3 434	3 434	3 434	3 434	3 434	3 434	3 434	3 434	3 435	41 209	43 352	45 606
Vote 7 - PUBLIC WORKS: ELECTRICITY		#####	22 193	22 193	22 193	22 193	22 193	22 193	22 193	22 193	22 193	22 193	22 191	266 313	280 162	294 730
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Revenue by Vote		54 890	54 890	54 890	54 890	54 890	54 890	54 890	54 890	54 890	54 890	54 890	54 889	658 683	693 040	736 685
Expenditure by Vote to be appropriated	-															
Vote 1 - CORPORATE SERVICES		#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	18 370	220 441	231 903	243 962
Vote 2 - MUNICIPAL MANAGER		#####	2 212	2 212	2 212	2 212	2 212	2 212	2 212	2 212	2 212	2 212	2 213	26 545	7 926	29 378
Vote 3 - BUDGET & TREASURY OFFICE		#####	3 307	3 307	3 307	3 307	3 307	3 307	3 307	3 307	3 307	3 307	3 307	39 687	41 751	45 969
Vote 4 - COMMUNITY SERVICES		732 000,00	732 000,00	732 000,00	732 000,00	732 000,00	732 000,00	732 000,00	732 000,00	732 000,00	732 000,00	732 000,00	735	8 787	9 244	9 724

Vote 5 - DEVELOPMENT AND PLANNING		66 433,75	66	66	66	66	66	66	66	66	66	66	66	797	839	882
Vote 6 - PUBLIC WORKS: CIVIL		#####	3 253	3 253	3 253	3 253	3 253	3 253	3 253	3 253	3 253	3 253	3 255	39 038	41 068	43 204
Vote 7 - PUBLIC WORKS: ELECTRICITY		#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	22 282	267 387	283 191	297 917
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Expenditure by Vote		50 223	50 223	50 223	50 223	50 223	50 223	50 223	50 223	50 223	50 223	50 223	50 229	602 682	635 921	671 036
Surplus/(Deficit) before assoc.		4 667	4 667	4 667	4 667	4 667	4 667	4 667	4 667	4 667	4 667	4 667	4 660	56 000	57 119	65 650
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	4 667	4 667	4 667	4 667	4 667	4 667	4 667	4 667	4 667	4 667	4 667	4 660	56 000	57 119	65 650

References
1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

check

